

**NEWS RELEASE**

To: Business Editor

 31st July 2008  
 For immediate release

*The following announcement was issued today to a Regulatory Information Service approved by the Financial Services Authority in the United Kingdom.*

**HONGKONG LAND HOLDINGS LIMITED  
 HALF-YEARLY RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2008**
**Highlights**

- Positive rental reversions enhance earnings and asset values
- Good contribution from residential completions
- Underlying earnings per share up 56%
- Adjusted net assets per share up 11%
- Interim dividend up 50%

“There are signs of more difficult conditions ahead. Property markets are slowing and inflationary pressures are building in key sectors. The earnings outlook for the medium term, however, remains encouraging as the Group will continue to benefit from positive rental reversions and from residential completions.”

Simon Keswick, *Chairman*  
 31st July 2008

**Results**

	(unaudited) Six months ended 30th June		
	2008	2007	Change
	US\$m	US\$m	%
Underlying profit attributable to shareholders	242	155	+56
Profit attributable to shareholders	1,629	1,202	+36
Shareholders' funds	13,319	11,833*	+13
Adjusted shareholders' funds <sup>#</sup>	15,655	14,041*	+11
Net debt	2,571	2,431*	+6
	US¢	US¢	%
Underlying earnings per share	10.53	6.73	+56
Earnings per share	70.95	52.35	+36
Interim dividend per share	6.00	4.00	+50
	US\$	US\$	%
Net asset value per share	5.80	5.16*	+12
Adjusted net asset value per share <sup>#</sup>	6.82	6.12*	+11

\* At 31st December 2007

<sup>#</sup> In preparing the Group's financial statements under International Financial Reporting Standards ('IFRS'), the fair value model for investment properties has been adopted. In accordance with this model, the Group's leasehold investment properties have been included at their open market value as determined by independent valuers. In the territories where the Group has significant leasehold investment properties, no capital gains tax would be payable on the sale of these properties. In relation to leasehold investment properties, however, IFRS require deferred tax on any revaluation amount to be calculated using income tax rates. This is in contrast to the treatment for the revaluation element of freehold properties where IFRS require capital gains tax rates to be used.

As Management considers that the Group's long leasehold investment properties have very similar characteristics to freehold property, the adjusted shareholders' funds and adjusted net asset value per share information is presented on the basis that would be applicable if the leasehold properties were freeholds. The adjustments made add back the deferred tax provided in the financial statements that would not be payable if the properties were sold. See note 13 to the condensed financial statements.

The interim dividend of US\$6.00 per share will be payable on 15th October 2008 to shareholders on the register of members at the close of business on 22nd August 2008. The ex-dividend date will be on 20th August 2008, and the share registers will be closed from 25th to 29th August 2008, inclusive.

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Issued by: **Hongkong Land Limited**

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**HONGKONG LAND HOLDINGS LIMITED**  
**HALF-YEARLY RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2008**

**OVERVIEW**

Commercial property markets in Hong Kong and Singapore continued to strengthen in the first half of 2008 enabling Hongkong Land to achieve good growth in underlying earnings and to record a further increase in capital values. The pace of growth in rental levels is, however, showing signs of slowing. While good progress continues to be made in projects under development, residential markets have slowed and inflationary pressures are building in a number of the markets where the Group operates.

**PERFORMANCE**

Underlying profit rose 56% to US\$242 million in the first half of the year due to higher net rental income and an increased contribution from residential property completions. Underlying earnings per share also rose 56% to US\$10.53.

The independent valuation of the Group's commercial property investment portfolio at the end of June, including the Group's share of investment properties in joint ventures produced an 11% increase in the value of the portfolio. The revaluation surplus net of deferred tax taken to the profit and loss account was US\$1,381 million, compared with US\$1,042 million in the first half of 2007. A profit attributable to shareholders of US\$1,629 million was recorded for the period compared with US\$1,202 million in the first half of 2007.

The Directors have declared an increased interim dividend of US\$6.00 per share, up 50%.

**GROUP REVIEW**

Hong Kong

Firm demand for prime Hong Kong Central district office space, generated primarily by the financial services sector, continued to be underpinned by tight supply. Vacancy in the Group's office portfolio was 1.7% at the end of June, and its most recent development, York House, is now fully let.

The Group's retail portfolio in Central remains fully leased; the demand being supported by existing tenants seeking additional space and new brands entering the market.

Construction is progressing well at the Group's two residential development projects at Victoria Road and Tai Hang Road, which are scheduled for completion in 2009 and 2010, respectively.

### Singapore

The strength of the financial services sector is also driving demand for high quality office space in Singapore. One Raffles Link, which is wholly owned, and One Raffles Quay, in which Hongkong Land holds a one-third interest, are both fully let. Construction at Marina Bay Financial Centre, in which Hongkong Land also holds a one-third interest, is continuing on schedule for a two-phased completion in 2010 and 2012. Some 57% of the office space in the two phases was pre-leased as at the end of June 2008, while all but one of the 428 apartments in the residential tower in the first phase had been pre-sold.

MCL Land's result for the first half of the year benefited from the completion of its Singapore joint venture development, The Grange, and the sale of the remaining 12 shop units at the Kuala Lumpur Shopping Centre in Malaysia. MCL Land also secured an additional site in Singapore at Yishun Avenue adding some 609,000 sq. ft of developable gross floor area to its portfolio. MCL Land's full-year result for 2008 should also benefit from the completions of Mera Springs and The Esta in Singapore in the second half of the year.

### Mainland China

The fourth and final phase of Central Park, the Group's 40%-owned joint venture residential development in Beijing, was completed during the first half of the year. Bamboo Grove, a 50%-owned joint venture development in Chongqing, was largely unaffected by the tragic earthquake in May. Phase 1 has been substantially pre-sold and is expected to complete towards the end of 2008, while pre-selling has begun of the second phase that is scheduled for completion in 2009.

Hongkong Land's joint venture in Shenyang, in which the Group has an effective 30% interest, has increased its land holdings to a total area of some one million square meters. The current focus of the joint venture is master planning with construction likely to commence in 2009.

Macau

Construction of One Central Macau, a residential, retail and hotel development project in which the Group has a 49% interest, remains on schedule for completion in 2009. Pre-leasing of the retail space is progressing well and almost all of the 796 residential units have been pre-sold.

**FINANCE**

Net debt at 30th June 2008 was US\$2.6 billion. Although global credit markets remain difficult, the Group's liquidity is strong with US\$2.3 billion of cash on deposit and undrawn committed facilities in place at the end of June. The Group had no major new financings during the first six months of the year.

**PEOPLE**

Lord Powell rejoined the Board on 19th June 2008.

**OUTLOOK**

There are signs of more difficult conditions ahead. Property markets are slowing and inflationary pressures are building in key sectors. The earnings outlook for the medium term, however, remains encouraging as the Group will continue to benefit from positive rental reversions and from residential completions.

Simon Keswick

*Chairman*

31st July 2008

**Hongkong Land Holdings Limited**  
**Consolidated Profit and Loss Account**

	(unaudited)						Year ended 31st December		
	2008			2007			2007		
	Six months ended 30th June			Six months ended 30th June			Year ended 31st December		
	Underlying business performance US\$m	Non-trading items US\$m	Total US\$m	Underlying business performance US\$m	Non-trading items US\$m	Total US\$m	Underlying business performance US\$m	Non-trading items US\$m	Total US\$m
Revenue ( <i>note 2</i> )	319.2	-	319.2	392.9	-	392.9	933.2	-	933.2
Cost of sales	(50.9)	-	(50.9)	(187.3)	-	(187.3)	(442.2)	-	(442.2)
Gross profit	268.3	-	268.3	205.6	-	205.6	491.0	-	491.0
Other income	0.4	-	0.4	0.8	-	0.8	0.6	-	0.6
Administrative and other expenses	(23.3)	-	(23.3)	(20.3)	-	(20.3)	(52.2)	-	(52.2)
	245.4	-	245.4	186.1	-	186.1	439.4	-	439.4
Increase in fair value of investment properties	-	1,406.5	1,406.5	-	1,161.9	1,161.9	-	2,588.9	2,588.9
Asset impairment provisions, reversals and disposals ( <i>note 3</i> )	-	0.2	0.2	-	1.3	1.3	-	9.4	9.4
Operating profit ( <i>note 4</i> )	245.4	1,406.7	1,652.1	186.1	1,163.2	1,349.3	439.4	2,598.3	3,037.7
Financing charges	(60.3)	-	(60.3)	(67.6)	-	(67.6)	(138.5)	-	(138.5)
Financing income	38.7	-	38.7	44.9	-	44.9	88.5	-	88.5
Net financing charges	(21.6)	-	(21.6)	(22.7)	-	(22.7)	(50.0)	-	(50.0)
Share of results of joint ventures ( <i>note 5</i> )	51.1	94.9	146.0	15.4	92.3	107.7	24.0	362.6	386.6
Profit before tax	274.9	1,501.6	1,776.5	178.8	1,255.5	1,434.3	413.4	2,960.9	3,374.3
Tax ( <i>note 6</i> )	(31.1)	(113.8)	(144.9)	(24.1)	(206.9)	(231.0)	(56.2)	(463.2)	(519.4)
Profit after tax	243.8	1,387.8	1,631.6	154.7	1,048.6	1,203.3	357.2	2,497.7	2,854.9
Attributable to:									
Shareholders of the Company	241.6	1,386.9	1,628.5	154.5	1,047.1	1,201.6	344.7	2,494.9	2,839.6
Minority interests	2.2	0.9	3.1	0.2	1.5	1.7	12.5	2.8	15.3
	243.8	1,387.8	1,631.6	154.7	1,048.6	1,203.3	357.2	2,497.7	2,854.9
			US¢			US¢			US¢
Earnings per share ( <i>note 7</i> )									
- basic			70.95			52.35			123.72
- diluted			68.30			50.49			119.18

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**Hongkong Land Holdings Limited**  
**Consolidated Balance Sheet**

	2008 US\$m	(unaudited) At 30th June 2007 US\$m	At 31st December 2007 US\$m
<b>Net operating assets</b>			
Tangible assets ( <i>note 9</i> )			
Investment properties	15,722.5	12,754.9	14,260.6
Others	12.9	13.5	12.3
	<b>15,735.4</b>	12,768.4	14,272.9
Joint ventures	1,931.4	1,260.5	1,653.9
Other investments	-	16.1	17.5
Deferred tax assets	1.9	2.0	2.6
Pension assets	17.7	14.2	17.3
Non-current debtors	35.4	30.7	36.7
Non-current assets	<b>17,721.8</b>	14,091.9	16,000.9
Properties for sale	1,239.3	843.5	895.0
Current debtors	247.0	233.5	414.2
Bank balances	1,134.5	1,062.6	1,104.0
	<b>2,620.8</b>	2,139.6	2,413.2
Non-current assets classified as held for sale ( <i>note 10</i> )	-	11.3	-
Current assets	<b>2,620.8</b>	2,150.9	2,413.2
Current creditors	(781.3)	(535.5)	(659.2)
Current borrowings ( <i>note 11</i> )	(180.0)	(113.1)	(140.9)
Current tax liabilities	(62.6)	(39.4)	(43.2)
	<b>(1,023.9)</b>	(688.0)	(843.3)
Liabilities directly associated with non-current assets classified as held for sale ( <i>note 10</i> )	-	(0.6)	-
Current liabilities	<b>(1,023.9)</b>	(688.6)	(843.3)
Net current assets	<b>1,596.9</b>	1,462.3	1,569.9
Long-term borrowings ( <i>note 11</i> )	(3,525.1)	(3,271.6)	(3,393.9)
Deferred tax liabilities	(2,322.7)	(1,942.6)	(2,207.2)
Non-current creditors	(24.4)	(26.4)	(12.6)
	<b>13,446.5</b>	10,313.6	11,957.1
<b>Total equity</b>			
Share capital	229.5	229.5	229.5
Revenue and other reserves	13,089.7	9,979.5	11,603.5
Shareholders' funds ( <i>note 12</i> )	<b>13,319.2</b>	10,209.0	11,833.0
Minority interests	127.3	104.6	124.1
	<b>13,446.5</b>	10,313.6	11,957.1

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**Hongkong Land Holdings Limited**  
**Consolidated Statement of Recognised Income and Expense**


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	(unaudited) Six months ended 30th June <b>2008</b> <b>US\$m</b>	2007 US\$m	Year ended 31st December 2007 US\$m
Net exchange translation differences	<b>67.6</b>	(32.2)	33.1
Actuarial gains on defined benefit pension plans	-	-	2.8
Gains on revaluation of other investments	-	-	1.4
Gains on cash flow hedges	<b>2.0</b>	1.6	7.1
Tax on items taken directly to equity	<b>(0.7)</b>	(1.0)	(1.3)
Net income/(expense) recognised directly in equity	<b>68.9</b>	(31.6)	43.1
Transfer to consolidated profit and loss account in respect of cash flow hedges	<b>1.5</b>	2.4	5.5
Revaluation gain of other investments transferred to consolidated profit and loss account	<b>(6.1)</b>	-	-
Profit after tax	<b>1,631.6</b>	1,203.3	2,854.9
Total recognised income and expense for the period	<b>1,695.9</b>	1,174.1	2,903.5
Attributable to:			
Shareholders of the Company	<b>1,692.8</b>	1,172.4	2,888.2
Minority interests	<b>3.1</b>	1.7	15.3
	<b>1,695.9</b>	1,174.1	2,903.5

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**Hongkong Land Holdings Limited**  
**Consolidated Cash Flow Statement**


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	(unaudited) Six months ended 30th June <b>2008</b> US\$m	Year ended 31st December 2007 US\$m
<b>Operating activities</b>		
Operating profit	<b>1,652.1</b>	1,349.3
Depreciation	<b>0.8</b>	0.5
Increase in fair value of investment properties	<b>(1,406.5)</b>	(1,161.9)
Asset impairment provisions, reversals and disposals	<b>(0.2)</b>	(1.3)
(Increase)/decrease in working capital	<b>(16.6)</b>	77.3
Interest received	<b>37.4</b>	49.5
Interest and other financing charges paid	<b>(60.4)</b>	(65.3)
Tax paid	<b>(13.2)</b>	(5.8)
Dividends received	<b>2.7</b>	0.4
Cash flows from operating activities	<b>196.1</b>	242.7
<b>Investing activities</b>		
Major renovations expenditure	<b>(11.8)</b>	(11.8)
Developments capital expenditure	<b>(7.2)</b>	(7.3)
Investments in and loans to joint ventures	<b>(39.6)</b>	(255.2)
Disposal of joint ventures and other investments	-	0.6
Disposal of investment and other properties	-	168.6
Cash flows from investing activities	<b>(58.6)</b>	(105.1)
<b>Financing activities</b>		
Drawdown of bank loans	<b>278.2</b>	230.3
Repayment of bank loans	<b>(179.0)</b>	(309.2)
Dividends paid by the Company	<b>(205.7)</b>	(159.2)
Dividends paid to minority shareholders	<b>(6.1)</b>	(3.6)
Cash flows from financing activities	<b>(112.6)</b>	(241.7)
Effect of exchange rate changes	<b>5.5</b>	1.8
Net increase/(decrease) in cash and cash equivalents	<b>30.4</b>	(102.3)
Cash and cash equivalents at beginning of period	<b>1,102.9</b>	1,163.7
Cash and cash equivalents at end of period	<b>1,133.3</b>	1,102.9

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**Hongkong Land Holdings Limited**  
**Notes to Condensed Financial Statements**


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## 1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

The condensed financial statements have not been audited or reviewed by the Group's auditor pursuant to the UK Auditing Practices Board guidance on the review of interim financial information. The condensed financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting.

In 2008, the Group adopted the following interpretations to existing Standards which are relevant to its operations:

IFRIC 11	IFRS 2 - Group and Treasury Share Transactions
IFRIC 14	IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

There have been no changes to the accounting policies described in the 2007 annual financial statements as a result of adoption of the above interpretations.

Certain comparative figures have been reclassified to conform with the current period presentation.

## 2. REVENUE

	Six months ended 30th June	
	<b>2008</b>	2007
	<b>US\$m</b>	US\$m
<i>By business</i>		
Commercial property		
Rental income	<b>263.2</b>	206.7
Service income	<b>52.8</b>	47.8
	<b>316.0</b>	254.5
Residential property		
Rental income	<b>1.3</b>	1.3
Sales of residential properties	<b>1.9</b>	137.1
	<b>3.2</b>	138.4
	<b>319.2</b>	392.9

Service income in Commercial property includes service and management charges and hospitality service income.

## 3. ASSET IMPAIRMENT PROVISIONS, REVERSALS AND DISPOSALS

	Six months ended 30th June	
	2008	2007
	US\$m	US\$m
Other asset impairment provisions	<b>(0.8)</b>	-
Other asset impairment reversals	<b>1.0</b>	1.3
	<b>0.2</b>	1.3
<i>By business</i>		
Commercial property	<b>(0.8)</b>	0.7
Residential property	<b>1.0</b>	-
Corporate	-	0.6
	<b>0.2</b>	1.3

## 4. OPERATING PROFIT

	Six months ended 30th June	
	2008	2007
	US\$m	US\$m
<i>By business</i>		
Commercial property	<b>264.3</b>	204.8
Residential property	<b>0.8</b>	(1.0)
Corporate	<b>(19.7)</b>	(17.7)
	<b>245.4</b>	186.1
Increase in fair value of investment properties	<b>1,406.5</b>	1,161.9
Asset impairment provisions, reversals and disposals ( <i>note 3</i> )	<b>0.2</b>	1.3
	<b>1,652.1</b>	1,349.3

## 5. SHARE OF RESULTS OF JOINT VENTURES

	Six months ended 30th June	
	2008	2007
	US\$m	US\$m
<i>By business</i>		
Commercial property	9.6	2.5
Residential property	41.5	12.9
	<b>51.1</b>	15.4
Increase in fair value of investment properties		
- Commercial property	88.6	87.2
- Residential property	6.6	4.7
	95.2	91.9
Asset impairment provisions, reversals and disposals	(0.3)	0.4
	<b>146.0</b>	107.7

Results are shown after tax and minority interests.

## 6. TAX

	Six months ended 30th June	
	2008	2007
	US\$m	US\$m
Current tax	31.8	20.6
Deferred tax		
- changes in fair value of investment properties	113.8	206.9
- other temporary differences	(0.7)	3.5
	<b>144.9</b>	231.0

Tax on profits is provided at the rates of taxation prevailing in the territories in which the Group operates. The US\$113.8 million deferred tax charge in relation to the changes in fair value of investment properties is net of a credit of US\$121.7 million resulting from the reduction in profits tax rate in Hong Kong. Share of tax of joint ventures of US\$35.5 million (2007: US\$25.4 million) are included in share of results of joint ventures. The Group has no tax payable in the United Kingdom.

## 7. EARNINGS PER SHARE

Basic earnings per share are calculated on profit attributable to shareholders of US\$1,628.5 million (2007: US\$1,201.6 million) and on the weighted average number of 2,295.2 million (2007: 2,295.2 million) shares in issue during the period.

Diluted earnings per share are calculated on profit attributable to shareholders of US\$1,638.5 million (2007: US\$1,211.4 million), which is after adjusting for the effects of the conversion of convertible bonds, and on the weighted average number of 2,399.1 million (2007: 2,399.1 million) shares in issue during the period.

Earnings per share are additionally calculated based on underlying profit attributable to shareholders. The difference between underlying profit attributable to shareholders and profit attributable to shareholders is reconciled as follows:

	Six months ended 30th June					
	2008			2007		
	Basic earnings per share	Diluted earnings per share		Basic earnings per share	Diluted earnings per share	
	US\$m	US¢	US¢	US\$m	US¢	US¢
Underlying profit attributable to shareholders	241.6	10.53	10.49	154.5	6.73	6.73
Non-trading items (note 8)	1,386.9			1,047.1		
Profit attributable to shareholders	1,628.5	70.95		1,201.6	52.35	
Interest expense on convertible bonds (net of tax)	10.0			9.8		
Profit for calculation of diluted earnings per share	1,638.5		68.30	1,211.4		50.49

## 8. NON-TRADING ITEMS

	Six months ended 30th June	
	2008	2007
	US\$m	US\$m
Revaluation surpluses of investment properties	1,406.5	1,161.9
Deferred tax charges on revaluation surpluses of investment properties	(113.8)	(206.9)
Share of revaluation surpluses of investment properties of joint ventures (net of deferred tax)	95.2	91.9
Asset impairment provisions, reversals and disposals	0.2	1.3
Share of asset disposals of joint ventures	(0.3)	0.4
Minority interests	(0.9)	(1.5)
	1,386.9	1,047.1

## 9. TANGIBLE ASSETS

	Six months ended 30th June		Year ended
	2008	2007	31st
	US\$m	US\$m	December
			2007
			US\$m
Net book value at beginning of period	<b>14,272.9</b>	11,663.8	11,663.8
Exchange rate adjustments	<b>33.0</b>	(61.7)	(4.1)
Additions	<b>23.9</b>	15.9	38.3
Depreciation	<b>(0.8)</b>	(0.5)	(0.9)
Disposals	<b>(0.1)</b>	(1.2)	(13.1)
Net revaluation surplus	<b>1,406.5</b>	1,161.9	2,588.9
Classified as non-current assets held for sale	-	(9.8)	-
Net book value at end of period	<b>15,735.4</b>	12,768.4	14,272.9

## 10. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

The non-current assets classified as held for sale at 30th June 2007 were related to an investment property situated in Malaysia, which was sold subsequently in 2007.

## 11. BORROWINGS

	At 30th June		At 31st
	2008	2007	December
	US\$m	US\$m	2007
			US\$m
<i>Current</i>			
Bank overdrafts	<b>1.2</b>	1.2	1.1
Short-term borrowings	<b>82.5</b>	38.4	94.7
Current portion of long-term borrowings	<b>96.3</b>	73.5	45.1
	<b>180.0</b>	113.1	140.9
<i>Long-term borrowings</i>			
Bank loans	<b>1,553.0</b>	1,385.3	1,442.2
7% United States Dollar bonds due 2011	<b>617.6</b>	614.0	618.3
5.5% United States Dollar bonds due 2014	<b>493.2</b>	474.7	501.4
3.01% Singapore Dollar notes due 2010	<b>237.1</b>	209.5	224.2
3.65% Singapore Dollar notes due 2015	<b>270.4</b>	243.2	258.5
2.75% United States Dollar convertible bonds due 2012	<b>353.8</b>	344.9	349.3
	<b>3,525.1</b>	3,271.6	3,393.9
	<b>3,705.1</b>	3,384.7	3,534.8

## 11. BORROWINGS (continued)

	At 30th June <b>2008</b> US\$m	At 30th June 2007 US\$m	At 31st December 2007 US\$m
Secured	<b>316.8</b>	221.2	182.8
Unsecured	<b>3,388.3</b>	3,163.5	3,352.0
	<b>3,705.1</b>	3,384.7	3,534.8

## 12. SHAREHOLDERS' FUNDS

	Six months ended 30th June <b>2008</b> US\$m	Six months ended 30th June 2007 US\$m	Year ended 31st December 2007 US\$m
At beginning of period	<b>11,833.0</b>	9,197.3	9,197.3
Recognised income and expense attributable to shareholders of the Company	<b>1,692.8</b>	1,172.4	2,888.2
Dividends ( <i>note 14</i> )	<b>(206.6)</b>	(160.7)	(252.5)
At end of period	<b>13,319.2</b>	10,209.0	11,833.0

## 13. NET ASSET VALUE PER SHARE

Net asset value per share is calculated on shareholders' funds of US\$13,319.2 million (2007: US\$10,209.0 million) and on 2,295.2 million (2007: 2,295.2 million) shares issued at the period end.

Net asset value per share is additionally calculated based on adjusted shareholders' funds. The difference between shareholders' funds and adjusted shareholders' funds is reconciled as follows:

	At 30th June <b>2008</b> US\$m	At 30th June 2007 US\$m	At 31st December 2007 US\$m
Shareholders' funds	<b>13,319.2</b>	10,209.0	11,833.0
Deferred tax on revaluation surpluses of investment properties	<b>2,280.3</b>	1,904.9	2,165.4
Share of deferred tax on revaluation surpluses of investment properties of joint ventures	<b>55.7</b>	35.8	42.6
Adjusted shareholders' funds	<b>15,655.2</b>	12,149.7	14,041.0

## 14. DIVIDENDS

	Six months ended 30th June	
	2008 US\$m	2007 US\$m
Final dividend in respect of 2007 of US¢9.00 (2006: US¢7.00) per share	<b>206.6</b>	160.7

An interim dividend in respect of 2008 of US¢6.00 (2007: US¢4.00) per share amounting to a total of US\$137.7 million (2007: US\$91.8 million) is declared by the Board and will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2008.

## 15. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

	At 30th June		At 31st December
	2008 US\$m	2007 US\$m	2007 US\$m
Capital commitments	<b>645.9</b>	99.1	463.0
Contribution to joint ventures	<b>1,003.5</b>	761.2	953.5

Various Group companies are involved in litigation arising in the ordinary course of their respective businesses. Having reviewed outstanding claims and taking into account legal advice received, the Directors are of the opinion that adequate provisions have been made in the consolidated financial statements.

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**Hongkong Land Holdings Limited**  
**Principal Risks and Uncertainties**

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The following are the principal risks and uncertainties facing the Company as required to be disclosed pursuant to The Disclosure and Transparency Rules issued by the Financial Services Authority of the United Kingdom and are in addition to the matters referred to in the Chairman's Statement:

**1. Economic Risk, Market Risk and Competition**

The Group is exposed to the risk of negative developments in global and regional economies, and financial and property markets. These developments can result in:

- recession, inflation and currency fluctuations;
- increases in financing and construction costs; and
- reductions in office and retail rents, office and retail occupancy and sales prices of, and demand for, residential developments.

Such developments might increase costs of sales and operating costs, or reduce revenues or result in reduced valuations of the Group's investment properties.

The Group makes significant investment decisions in respect of commercial and residential development projects that take time to come to fruition and achieve the desired returns and are, therefore, subject to market risks. These risks are further pronounced when operating in volatile markets.

The Group operates in areas that are highly competitive, and failure to compete effectively in terms of price, quality of product or levels of service can have an adverse effect on earnings. Significant pressure from such competition may lead to reduced margins.

The steps taken by the Group to manage its exposure to financial risk are set out in the Financial Review on page 11 and in Note 2 to the Financial Statements on page 25, and in the description of the systems of internal control set out in the Corporate Governance section on page 60 of the Company's 2007 Annual Report, which is available from the Company's website [www.hkland.com](http://www.hkland.com).

**2. Regulatory and Political Risk**

The Group is subject to a number of regulatory environments in the territories in which it operates. Changes in the regulatory approach to such matters as foreign ownership of assets and businesses, exchange controls, planning controls, tax rules and employment legislation have the potential to impact the operations and profitability of the Group. Changes in the political environment in such territories can also affect the Group.

### **3. Terrorism, Pandemic and Natural Disasters**

A number of the Group's interests are vulnerable to the effects of terrorism, either directly through the impact of an act of terrorism or indirectly through the impact of generally reduced economic activity in response to the threat of or an actual act of terrorism.

The Group would be impacted by a global or regional pandemic which could be expected to seriously affect economic activity and the ability of our business to operate smoothly. In addition, many of the territories in which we are active can experience from time to time natural disasters such as earthquakes and typhoons.

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#### **Hongkong Land Holdings Limited**

#### **Responsibility Statement**

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The Directors of the Company confirm to the best of their knowledge that:

- (a) the condensed financial statements have been prepared in accordance with IAS 34; and
- (b) the interim management report includes a fair review of all information required to be disclosed by the Disclosure and Transparency Rules 4.2.7 and 4.2.8 issued by the Financial Services Authority of the United Kingdom.

For and on behalf of the Board

A J L Nightingale  
Y K Pang

*Directors*

31st July 2008

*The interim dividend of US\$6.00 per share will be payable on 15th October 2008 to shareholders on the register of members at the close of business on 22nd August 2008. The ex-dividend date will be on 20th August 2008, and the share registers will be closed from 25th to 29th August 2008, inclusive. Shareholders will receive their dividends in United States Dollars, unless they are registered on the Jersey branch register where they will have the option to elect for Sterling. These shareholders may make new currency elections for the 2008 interim dividend by notifying the United Kingdom transfer agent in writing by 26th September 2008. The Sterling equivalent of dividends declared in United States Dollars will be calculated by reference to a rate prevailing on 2nd October 2008. Shareholders holding their shares through The Central Depository (Pte) Limited ('CDP') in Singapore will receive United States Dollars unless they elect, through CDP, to receive Singapore Dollars.*

## **Hongkong Land Group**

Hongkong Land is one of Asia's leading property investment, management and development groups. Founded in Hong Kong in 1889, the Group has business interests across the region. Hongkong Land's business is built on partnership, integrity and excellence.

In Hong Kong, the Group owns and manages some five million sq. ft of prime commercial space that defines the heart of the Central Business District. In Singapore, it is helping to create the city-state's new Central Business District with the expansion of its joint venture portfolio of new developments. Hongkong Land's properties in these and other Asian centres are recognised as market leaders and house the world's foremost financial, business and luxury retail names.

Hongkong Land also develops premium residential properties in a number of cities in the region, not least in Singapore where its 77%-owned listed affiliate, MCL Land, is a significant developer.

Hongkong Land Holdings Limited is incorporated in Bermuda. Its primary listing is in London, and its shares are also listed in Bermuda and Singapore. The Group's assets and investments are managed from Hong Kong by Hongkong Land Limited. Hongkong Land is a member of the Jardine Matheson Group.

For further information, please contact:

Hongkong Land Limited

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As permitted by the Disclosure and Transparency Rules of the Financial Services Authority of the United Kingdom, the Company will not be posting a printed version of the Half-Yearly Results announcement to shareholders. The Half-Yearly Results announcement will remain available on the Company's website, [www.hkland.com](http://www.hkland.com), together with other Group announcements.